

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of  
  
PARK PLACE ENTERTAINMENT CORPORATION  
  
\_\_\_\_\_  
(Delayed Public Offering)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 6, 2000, and before the Nevada Gaming Commission ("Commission") on December 20, 2000, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The applications of Park Place Entertainment Corporation for (i) a two year approval of a continuous or delayed public offering by it or any affiliated company wholly-owned by it which is or would thereby become a publicly traded corporation ("Affiliate") and (ii) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems in conjunction with public offerings made under the continuous or delayed public offering approval;

b. The applications of Parball Corporation for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc., in conjunction with public offerings made under the continuous or delayed public offering approval and (ii) approval to guarantee securities issued by Park Place Entertainment Corporation or its Affiliate(s), in conjunction with public offerings made under the continuous or delayed public offering approval, and to hypothecate its assets to secure the payment or performance of obligations evidenced by securities issued by Park Place Entertainment Corporation or its Affiliate(s) in conjunction with public offerings made under the continuous or delayed public offering approval.

c. The applications of Caesars World, Inc., for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation in conjunction with public offerings made under the continuous or delayed public offering approval and (ii) approval to guarantee securities issued by Park Place Entertainment Corporation or its Affiliate(s) in conjunction with public offerings made under the continuous or delayed public offering approval.

d. The applications of Caesars Palace Corporation for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., in conjunction with public offerings made under the continuous or delayed public offering approval, and (ii) approval to guarantee securities issued by Park Place Entertainment Corporation or its Affiliate(s) in conjunction with public offerings made under the continuous or delayed public offering approval;

e. The applications of Desert Palace, Inc., for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., in conjunction with public offerings made under the continuous or delayed public offering approval, and (ii) approval to guarantee securities issued by Park Place

Entertainment Corporation or Affiliate(s), in conjunction with public offerings made under the continuous or delayed public offering approval, and to hypothecate its assets to secure payment or performance of obligations evidenced by securities issued by Park Place Entertainment Corporation or Affiliate(s) in conjunction with public offerings made under the continuous or delayed public offering approval; and

f. The applications of LVH Corporation, FHR Corporation, Flamingo Hilton-Laughlin, Inc., Tele/Info, Inc., and Consolidated Supplies, Services and Systems for approval to guarantee securities issued by Park Place Entertainment Corporation or its Affiliate(s), in conjunction with public offerings made under the continuous or delayed public offering approval, and to hypothecate its assets to secure payment or performance of obligations evidenced by securities issued by Park Place Entertainment Corporation or Affiliate(s) in conjunction with public offerings made under the continuous or delayed public offering approval.

2. THAT for a period of two years, Park Place Entertainment Corporation and its Affiliate(s) are hereby granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the following conditions:

a. That at all times during the two year period, Park Place Entertainment Corporation and its Affiliate(s), shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

b. That upon filing documents with the United States Securities and Exchange Commission ("SEC") regarding the sale of any securities for which approval would otherwise be required, Park Place Entertainment Corporation and its Affiliate(s) shall contemporaneously provide written notice and copies of such documents to the Board's Corporate Securities Division ("Division"), and shall keep said Division continuously and promptly informed as to the progress of any public offering made hereunder and as to any other event that would have a material effect on Park Place Entertainment Corporation or its subsidiaries which would be subject to reporting on SEC Form 8-K; and

c. That the approval herein granted may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

3. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in Paragraph 2(c) above.

4. THAT for a period of two years, Park Place Entertainment Corporation is hereby granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as applicable, to place restrictions on the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems, pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

5. THAT for a period of two years, Parball Corporation is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions on the transfer of, and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc., pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

6. THAT for a period of two years, Caesars World, Inc., is granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

7. THAT for a period of two years, Caesars Palace Corporation is granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

8. THAT for a period of two years, Desert Palace, Inc., is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., pursuant to a public offering made and the approval granted by Paragraph 2 of this Order.

9. THAT for a period of two years, Caesars World, Inc., and Caesars Palace Corporation are each granted approval, pursuant to NGC Regulation 15.585.7-1, to guarantee securities issued by Park Place Entertainment Corporation or Affiliate(s), pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

10. THAT for a period of two years, Parball Corporation, FHR Corporation, LVH Corporation, Flamingo Hilton-Laughlin, Inc., Desert Palace, Inc., Consolidated Supplies, Services and Systems and Tele/Info, Inc., are each granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by Park Place Entertainment Corporation or its Affiliates(s), pursuant to a public offering made under the approval granted by Paragraph 2 of this Order, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Park Place Entertainment Corporation or its Affiliate(s), pursuant to a public offering made under the approval granted by Paragraph 2 of this Order.

ENTERED at Carson City, Nevada, this 20<sup>th</sup> day of December 2000.